



Capitalizing on Promotions, Shoppers Purchase Fresh Produce More Often

The University of Michigan Consumer Confidence Index fell 7% in October, driven by concerns over inflation and personal finances. The widespread concern continues to favor at-home meal preparation.

WHAT'S NEW

RESTAURANT ENGAGEMENT



The meal landscape continues to be retail-centric

Up 4.0 percentage points from 2019, Circana found that 59.8% of 2023 year-to-date food and beverage dollars were spent at retail. The foodservice share of dollars did increase slightly compared to last year, however, this is due to above average inflation. Restaurant engagement ranges widely by income. High-income consumers were far more likely to have purchased restaurant food, which also resulted in a lower share of meals prepared at home. High-income households have an above-average reliance on both takeout and delivery – important clues for grocery retailers.

Annual income	% of consumers who purchased restaurant food at least once in October	Estimated share of meals prepared at home	Share who have gotten takeout 1+ times	Share who have ordered delivery 1+ times
Less than \$25K	77%	78.9%	44%	15%
\$25K<\$50K	78%	80.6%	45%	13%
\$50K<\$100K	80%	79.5%	53%	15%
\$100K or more	89%	72.6%	55%	20%

MARKET IMPACT



The overall +1.9% increase in the fresh produce price per pound masks far greater ups and downs across commodities

Deflationary conditions can result in demand growth, but may not always offset the loss of dollars:

Cauliflower

The average price per pound for cauliflower dropped 8.5% in October 2023 vs. 2022. This resulted in greater pound sales, but not enough to offset the gap left by deflation.

Corn

The 7.3% decrease in corn prices resulted in a robust upswing in demand and dollars as well as pounds growing YOY

Onions

Onions moved 3.3% more pounds with prices down 5.5% YOY – leaving a dollar gap.

Melons

Favorable melon prices (-5.5% YOY) and the return to entertaining have resulted in a large upswing in volume sales

	\$ vs. YA	Lbs. vs. YA
Cauliflower	-7.2%	+1.4%
Corn	+2.7%	+10.8%
Onions	-2.4%	+3.3%
Melons	+18.4%	+25.2%

HOUSEHOLD ENGAGEMENT



Strength for produce in monthly trips.

October 2023 fresh produce sales reached \$5.6 billion. Following three months of year-over-year growth in units and volume, October sales fell slightly behind year-ago levels. Fresh produce sales benefitted from an increase in the number of times shoppers purchased fresh fruit or vegetables (+1.3%), while spending the same amount as they did last year.

Sources:
Circana, Integrated Fresh, MULO

POWER FACTS

STATE OF PRODUCE

October 2023	Price/Lb.	\$ Sales	\$ vs. YA	Lbs. vs. YA
Fresh Fruits	\$1.83 +4.3%	\$2.6B	+5.5%	+1.1%
Fresh Vegetables	\$1.77 -0.2%	\$2.9B	-1.9%	-1.7%

Share of Dollars



TOP GROWTH COMMODITIES (NEW \$)

\$ Absolute \$ gain vs. YA

Berries	+\$43.9M
Grapes	+\$35.6M
Melons	+\$31.4M
Mandarins	+\$16.4M
Limes	+\$9.0M
Plums	+\$7.6M
Pineapples	+\$7.1M
Peaches	+\$5.8M
Celery	+\$4.7M
Carrots	+\$4.7M

SEASONAL COMMODITIES — PEARS

Product	Dollars	\$ vs. YA	Lbs vs. YA
Fresh pears	\$474M	-3.4%	-9.3%
Bartlett/williams	\$214M	-2.0%	-6.8%
Anjou	\$78M	-6.8%	-11.9%
Bosc/beurre bosc	\$76M	-0.8%	-8.7%
All other	\$38M	-26.3%	-32.0%
Asian/nashi	\$30M	+34.7%	+54.7%
Red	\$16M	+2.3%	-2.5%



SEASONAL COMMODITY SPOTLIGHT

Pears are a \$474 million annual seller. While pears overall have experienced dollar, unit and volume pressure over the past year, innovation is delivering new sales dollars.

Among varieties with sales upwards of \$2 million/year, the top three in YOY pound growth are:

- Asian/Nashi \$30M | +4.1M lbs
- Packham \$3.3M | +988K
- Bartlett Red Sensation \$2.2M | +57K

WHAT THIS MEANS

Three months of positive pound gains averaged into a 1.4% increase in pounds for fresh produce during the third quarter of the year when compared to 2022. In October, the last two weeks of the month pulled pound sales slightly below year-ago levels. Due to very different movements in price, the frozen and shelf-stable share of dollars was above normal in October. When regarding units, a much truer measure of performance void of inflationary influences, fresh was the far better performer.

Nevertheless, the pressure on America's pocket book is real. Sustained financial pressure has resulted in some trips being focused on money-well-saved, whereas others are focused on money-well-spent. Rather than a singular focus on price, shopping has become a nonstop balancing act between price, time, health, taste, experience and more. Sales patterns reflect adjustments to how much, what and where consumers purchase, with a big emphasis on sales specials.



“The marketplace continues to have an oversized impact on produce sales. Retailers are responding with solution-driven Thanksgiving sales promotions to capture as much of the holiday spend as possible. At the same time, everyday quality, freshness and initiatives driven at optimized shelf life remain important to help consumers prevent at-home fresh produce food waste.”

- Joe Watson, IFPA's VP of Retail, Foodservice and Wholesale

FUTURE OUTLOOK

Expected Consumer Behavior

Looking toward the Thanksgiving and December holiday season, the majority of consumers expect to celebrate in similar fashion as they did last year. This includes similar expectations for the size and nature of home-cooked meals for family and friends. While unit pressure has had a profound impact on grocery sales for the past two years, holidays are an important reason to include more premium items and treats — underscoring the importance of suggestive selling in-store, online and utilizing social media.



“As retailers push into the last quarter of the year, October is always a key transition month/sales period of November and December. October brings both seasonal and in season opportunities for fresh fruits and vegetables. Beginning with fresh pears that offer a great eating experience for snacking or baking. Consider expanding the pear offerings beyond Anjou, Bartlett, Bosc and Red varieties to include varieties such as Seckel, Forelle, Concorde and Comice. They offer great variation to flavor profiles while adding contrast in color and presentation in fruit bowls and charcuterie boards.

Fresh herbs also gear up in approach to the holidays. Herb producers are very creative with packaging and merchandising options, including promotional opportunities for retailers in the fourth quarter. A strong fresh herb program helps drive a full basket shop, making it an important category for the next three months.”

- Joe Watson, VP of Retail, Foodservice and Wholesale

For any questions, please reach out to Joe Watson, IFPA's VP of Retail, Foodservice, and Wholesale at jwatson@freshproduce.com

METRICS

October sales	\$ Sales	\$ vs. YA	Lbs. vs. YA
Fresh Fruits and Vegetables	\$5.7B	+1.4%	-0.4%
Fresh Fruit	\$2.6B	+5.5%	+1.1%
Berries	\$598M	+7.9%	+1.0%
Grapes	\$374M	+10.5%	-12.8%
Apples	\$344M	-5.3%	-0.4%
Bananas	\$250M	+0.3%	-3.2%
Melons	\$202M	+18.4%	+25.2%
Avocados	\$172M	-0.2%	-1.3%
Mandarins	\$148M	+12.4%	+14.8%
Pineapples	\$73M	+10.8%	+12.6%
Mixed Fruit	\$72M	+1.5%	-0.2%
Oranges	\$61M	-7.9%	-5.0%
Fresh Vegetables	\$2.9B	-1.9%	-1.7%
Potatoes	\$297M	-3.7%	-1.3%
Tomatoes	\$279M	+0.2%	+1.8%
Lettuce	\$226M	-5.8%	-1.2%
Onions	\$219M	-2.4%	+3.3%
Salad kits	\$219M	-4.7%	-3.0%
Peppers	\$187M	+1.8%	+4.6%
Pumpkins	\$151M	-2.7%	-9.4%
Carrots	\$110M	+4.4%	-0.1%
Cucumbers	\$108M	+2.8%	+0.5%
Broccoli	\$95M	+0.2%	-1.1%
October sales	\$ Sales	\$ vs. YA	Units vs. YA
Frozen Fruits and Vegetables	\$653M	+9.3%	-3.1%
Shelf Stable Fruits	\$343M	+4.7%	-7.1%
Shelf Stable Vegetables	\$588M	+8.1%	-3.4%
Meat	\$6.5B	-1.4%	-0.0%
Dairy	\$5.3B	-4.9%	-0.3%
Deli	\$3.5B	-0.4%	-1.4%
Bakery	\$3.3B	+1.1%	-2.9%
Seafood	\$417M	-9.5%	-6.2%

For more information, please reference IFPA's full consumption data at <https://www.freshproduce.com/resources/Commodities/>